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FOR EEB AND EAP/J

E.O. 12958: DECL: 10/28/2018  
TAGS: [ECON](#) [ETRD](#) [JA](#)  
SUBJECT: GOSS/TKS DEMARCHE DELIVERED

REF: A. STATE 111288  
[1](#)B. EAP/J E-MAILS OF 10/18

Classified By: Ambassador J. Thomas Schieffer. Reasons 1.4 b, d

[1](#)1. (C) Summary: Embassy conveyed ref A demarche regarding U.S. company Goss International at the DCM level to METI Vice Minister and Econoffs followed up with METI senior working level contacts. EMIN also discussed the case with the MOFA Director General for Economic Affairs. METI,s Director of International Legal Affairs emphasized the ministry viewed the case as a private dispute between the two companies, but agreed to consider reaching out to the Japanese party to the dispute to inform it of USG views. However, based upon the highly formal manner in which METI officials received the demarche, the ministry does not appear inclined to be proactive in resolving this case. End Summary.

[1](#)2. (C) DCM conveyed Washington concerns about the dispute between U.S. company Goss International and Japanese firm Tokyo Kikai Seisakusho (TKS) to METI Vice Minister Harufumi Mochizuki and expressed hope the parties might reach a negotiated settlement. Unaware of the issue, Mochizuki referred to his staff for a quick briefing but offered no substantive response.

[1](#)3. (C) In a subsequent conversation, Economic Policy Unit Chief and Econoff reviewed the details of the case with Kazumochi Kometani, METI Director of International Legal Affairs, Trade Policy Bureau. Kometani opened the meeting by expressing concern and puzzlement about the level at which the initial message was delivered in both Washington and Tokyo. Econoff explained the level shows the seriousness with which the U.S. views the case.

[1](#)4. (C) Econoff delivered the ref A points in their entirety and handed over copies of the non-paper and two attached legal documents. Kometani agreed to give the documents careful examination, but added the GOJ considered this a dispute between private parties and, as such, was inclined to leave resolution to the parties themselves. It was not appropriate, he added, for the GOJ to intervene in an ongoing court case. When pushed, Kometani thought it would be possible for the ministry to contact TKS and inform them of the USG,s position. However, he explicitly declined Econoff,s request to inform the Embassy of the outcome of any such discussions.

[1](#)5. (C) Regarding the serious concerns the 2004 Special Measures Law raises under the 1953 Treaty of Friendship, Commerce and Navigation (TCN), Kometani insisted the GOJ &does not think there is any violation of national treatment provision of the treaty in regard to the 2004 Law.8

[1](#)6. (C) Comment: Kometani's manner throughout the meeting was polite but formal. Although he promised to carefully examine the documents Embassy provided, there was nothing in his words or his manner to suggest METI is inclined to be

proactive in resolving this case. Nevertheless, Embassy will continue to engage and press MOFA and METI on the dispute. It would be helpful as well, if appropriate USG figures also raise the case and USG concerns with visiting Japanese officials in Washington.

SCHIEFFER